

US CHP Roadmap & Emerging Policy Initiatives

Southeast CHP Initiative, Kick-off Meeting

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Access to Documents

- Just look at: uschpa.org

National CHP Roadmap Process

- DOE/EPA/USCHPA Team Effort
- Formally initiated with the announcement on Dec., 1998, of the CHP Challenge to double the amount of CHP capacity in the US by 2010.
- Visioning workshop held June, 1999.
- 1st National Roadmap Workshop held in Baltimore in Nov, 2000. 1st "Roadmap" w/action plan published March, 2000.

Roadmap Process (cont.)

- 18 regional and state workshops held from 1999 - 2001 - DOE funded.
- 2nd National CHP Roadmap workshop held in Baltimore in Oct., 2001. Updates and reports on action items.
- Regional initiatives begin to do their own thing...
- Upcoming 3rd annual CHP Roadmap Workshop in Boston, Oct. 23rd - 25th.

Roadmap Actions:

- 1. Develop CHP Markets and Applications
- 2. Eliminate Regulatory and Institutional Barriers
- 3. Raise CHP Awareness
- 4. Legislative Agenda - facilitate and coordinate state and federal actions
- 5. Implementation and Reporting

Specific Examples

- Raising CHP Awareness:
 - National CHP industry-government partnerships nurtured (USCHPA, EPA's CHP Partnership Program);
 - Federal CHP coordination and outreach (FEMP, federal labs; National Energy Policy Plan, HUD)
 - Regional and State coordination and outreach.

Specific Examples

- Eliminating Regulatory and Institutional Barriers:
 - output-based standards
 - streamline siting and permitting
 - uniform, national interconnection standards
 - fair utility business practices (tariffs)
 - fair and equitable tax treatment
 - investment tax credit
 - depreciation schedules

Specific Examples

- Developing CHP Markets and Technologies:
 - Commercial buildings
 - Industrial manufacturing and processing plants
 - Federal and state government facilities
 - District energy systems, power parks, and municipalities

Current Federal Legislative Efforts

- House/Senate energy bills currently do and/or may contain language related to:
 - uniform national interconnection standards
 - 10% tax investment credit language
 - Renewable Portfolio Standard (RPS) possibly including waste heat as a defined “renewable”
 - R&D allocation for CHP/DER technologies

NARUC's Interconnection Recommendations

- Does address the issue of interconnection
- Maintains individual state authority to determine state-by-state interconnection standards.
- Currently actively involved in the FERC small generator standard market design process

FERC's Standard Market Design Proposed Rule

- Process encouraging to date, very inclusive.
- Goal to create consistent, seamless regional markets under regional authorities.
- Underlying premise is that CHP/DG can act as a demand response to current system.
- Relates to interstate and wholesale transactions but...
- Also targets “smaller” generators up to 20 MWs and includes separate process for the very small - up to 2 MWs.

FERC SMD (cont.)

- Utilizes a “best practice approach”.
 - PJM, Texas, Canada, Europe
- Rulemaking to be completed by year end; go into effect Jan. 1, 2004
- USCHPA directly involved in the negotiations and posts regular web updates on progress made specific to CHP/DG interests.

What we know now

- Again, process is very encouraging; moving quickly - Nov. 4th deadline to file formal comments.
- Expedited procedure for small generators up to 20 MWs; recommends super expedited procedures for up to 2 MWs.
- Size threshold and pre-certification being debated.

What we know now (cont.)

- Begins from a presumption that small generators can successfully be interconnected with the grid - a rebuttable presumption.
- Get involved and lend your resources.
- Court challenges to FERC's jurisdictional ability to accomplish this work are very possible.

Resources to Regional Initiatives

- Web support - posting of minutes, meeting notices, presentations, etc;
- Coordination among regional groups and leaders;
- Two way linkage with national legislative work = letters of support, contact with policymakers;
- Coordinated Council of Regional Initiatives.

Web Resources

- www.uschpa.org
- www.eren.doe.gov/der/
- www.epa.gov/chp/
- <http://smallgen.intranets.com>
 - Find here a common calendar of negotiation topics to be discussed over the next five weeks.
 - Postings on upcoming meetings and various discussions of the process from varied points of view - what is public at least.
- Contact info: swatson@nemw.org